



Overland Storage Named Industry Leader in iSCSI Disk-to-Disk Storage

August 11, 2004

REO 4000 Price/Performance Ratio 'Hard To Beat'

SAN DIEGO, Aug 11, 2004 /PRNewswire-FirstCall via COMTEX/ -- Overland Storage Inc. (Nasdaq: OVRL), the leading provider of backup and recovery solutions, has shipped more units and terabytes of iSCSI-based Disk-to-Disk (D2D) backup this year than any other vendor in the industry, according to a viewpoint released by Enterprise Strategy Group (ESG). The report, which highlights the success of the REO 4000 high-performance disk-based backup and recovery appliance, states that Overland Storage has "smartly combined D2D backup, iSCSI and S-ATA drives within an appliance that has a price/performance ratio that is hard to beat."

"Overland has demonstrated its leadership in D2D backup with REO 4000, which delivers an excellent price/performance solution to customers," said Tony Asaro, senior analyst, the Enterprise Strategy Group. "ESG believes that the combination of iSCSI and D2D backup is a killer application, and Overland has emerged as the leader in iSCSI disk-based storage."

ESG research also found in a recent study that 66 percent of IT professionals state that their backups take too long. REO 4000 is a high performance disk-based appliance that delivers accelerated backups and immediate data restores. ESG believes that this class of appliances has the "potential for wide market adoption starting in 2004 and for years to come."

REO 4000 is a preconfigured, easy-to-install appliance with specialized intelligent software, hardware, and both iSCSI and Fibre Channel connectivity. It supports optional RAID capabilities for organizations seeking an extra level of data protection. Capable of operating as either disk or virtual tape, REO 4000 enhances existing backup and recovery processes by improving performance and lowering the total cost of ownership for data protection.

"As ESG has confirmed, more organizations are choosing the high-performance REO for disk-based backup and recovery than any other comparable product on the market," said Christopher Calisi, president and CEO, Overland Storage. "The REO is a key component of our strategy to deliver powerful data protection solutions that ensure business continuity, and we are gratified by this acknowledgment of its success."

The complete ESG Viewpoint, "Overland -- the Leader in iSCSI-based Disk-to-Disk Backup," is online at: <http://www.enterprisestrategygroup.com/ESGPublications/ReportDetail.asp?ReportID=217>

Overland products are available exclusively through the company's channel partners. For more information, please visit www.overlandstorage.com.

About Overland Storage

For more than 20 years, Overland Storage has delivered world-class data protection solutions designed to ensure business continuity. Focused on backup and recovery, Overland's data protection solutions are designed for entry-level and midrange computing environments. These include the REO family of disk-based backup and recovery appliances and the award-winning NEO series of tape libraries. Overland sells its products worldwide through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's website at www.overlandstorage.com.

Except for the factual statements made herein, the information contained in this news release consists of forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Words and expressions reflecting optimism and satisfaction with current prospects, as well as words such as "believe," "intends," "expects," "plans," "anticipates" and variations thereof, identify forward-looking statements, but their absence does not mean that a statement is not forward looking. Such forward-looking statements are not guarantees of performance and the company's actual results could differ materially from those contained in such statements. Factors that could cause or contribute to such differences include difficulty of predicting sales to the company's major OEM customer, technology spending levels, unexpected shortages of critical components, rescheduling or cancellation of customer orders, loss of a major customer, the timing and market acceptance of new product introductions by the company, including the launch of the company's new REO products, its competitors or its licensees, the timing and amount of licensing royalties, general competition and price pressures in the marketplace, the company's ability to control costs and expenses and economic conditions. Reference is also made to other factors set forth in the company's filings with the Securities and Exchange Commission, including the "Risk Factors," "Management's Discussion and Analysis" and other sections of the company's Form 10-K for the most recently completed fiscal year. These forward-looking statements speak only as of the date of this release and the company undertakes no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this release.

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